

MR FORM 5

JUN 27 1988

(August 1986)
(Noncoal)

DIVISION OF
OIL, GAS & MINING

Bond Number _____
Permit Number _____
Mine Name _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned REILLY TAR & CHEMICAL CORPORATION
as principal, and UNITED PACIFIC INSURANCE COMPANY as
surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors and assigns unto the State of Utah, Division of Oil, Gas
and Mining in the penal sum of - - - FORTY-NINE THOUSAND ONE HUNDRED AND 00/100 -
- - - - - dollars (\$ 49,100.00).

The principal estimated in the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the _____ day of _____
_____, 19 _____, that 87,821 acres of land will be disturbed
by this mining operation in the State of Utah. A description of the disturbed
land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

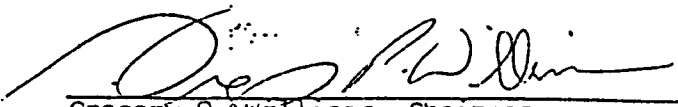
This bond is noncancellable by the surety at any time for any reason
including, but not limited to nonpayment of premium or bankruptcy of the
permittee during the period of liability.

Page 2
NONCOAL
MR-5

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

Dated this 18th day of July, 1988.

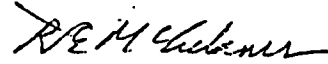
State of Utah
Board of Oil, Gas and Mining



Gregory P. Williams, Chairman

REILLY TAR & CHEMICAL CORPORA

Principal (Company)

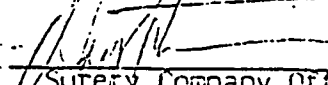
By 

Company Officer - Position
EXECUTIVE

Date: June 21, 1988

UNITED PACIFIC INSURANCE COMPANY

Surety (Company)

By 

Surety Company Officer - Position
Robert P. Stimpson, Attorney-in-Fact

DATE: June 1, 1988

APPROVED AS TO FORM:

By _____
Assistant Attorney General

DIVISION OF OIL, GAS AND MINING

BOND ESTIMATE

OPERATOR: Reilly Tar & Chemical Corporation
 MINE NAME: Reilly Wendover
 LOCATION: Wendover, Utah
 COUNTY: Tooele
 DATE: 06-10-88

OPERATION	AMOUNT	RATE	COST
A. CLEAN-UP			
1. Removal of structures & equipment.	2-Trucks	\$900/wk	\$ 2,700
2. Removal of trash & debris.	1-Loader	\$900/wk	\$ 2,700
3. Leveling of auxillary facilities, pads & access roads.	(3 weeks)		
B. REGRADING/RECONTOURING			
1. Earthwork including haulage & grading of spoils, waste & overburden.	1-D7 Dozer	\$4000/wk	\$16,000
2. Recontouring of excavations and spreading of surficial materials.	(4 weeks)		
C. LABOR			
1. Supervision	5 Man Week	\$15.00/hr	\$ 3,000
2. Labor	30 Man Week	\$11.50/hr	\$13,800
	SUBTOTAL		\$35,500
D. CONTINGENCY (10%)			3,600
	TOTAL (1988 dollars)		\$39,100
E. INFLATION			
2.3% for five (5) years (1993 dollars)			\$43,800
2.3% for ten (10) years (1998 dollars)			\$49,100

It is recommended that Reilly Tar bond for a ten (10) year period if a Surety Bond can be obtained. If an Irrevocable Letter of Credit will be used as a collateral bond, it is recommended that it be posted for a five (5) year period. The letter of credit must be self-renewing for a five year period. The bank can cancel within that five year period if the Division is provided with a written notice, 120 days prior to cancellation.